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FOR IMMEDIATE RELEASE**

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**OHIO MAN INDICTED FOR THEFT OF \$155,000 FROM BALTIMORE CITY**

BALTIMORE, Maryland - Allen F. Loucks, United States Attorney for the District of Maryland, announced today that a federal grand jury has indicted James Leroy Shorts, age 34, of Shaker Heights, Ohio for mail fraud, wire fraud and money laundering in connection with a scheme to defraud Baltimore City.

The ten-count indictment returned March 2, 2005 and unsealed today upon the defendant's arrest, alleges that the City of Baltimore issued checks to vendors for work performed on behalf of Baltimore. Consistent with the warning on the back of the check "void after 180 days from check date," the checks were not honored after 180 days from the date of issuance. For checks not negotiated within the 180-day period (known as "stale-dated checks"), the original vendor to which the check was made payable, or a third-party representing the original vendor, could request a replacement check. A third-party requesting a replacement check had to submit a power of attorney signed by the original vendor. Prior to the issuance of a replacement check, the Baltimore City Bureau of Treasury and Management (BTM) would confirm that the original check had not been negotiated. Upon request, BTM provided a requesting party with information regarding stale-dated

checks including the vendor's name, check number, date of issuance and check amount.

The indictment further alleges that on numerous occasions from 2003 to 2004, Shorts sent letters to BTM signed by "Sean Taylor" who purported to work for "James Taylor Associates" requesting the issuance of replacement checks. Shorts attached a forged limited power of attorney to the letters falsely asserting that the original vendors had appointed "James Taylor & Associates" to "seek recovery of the undistributed, unclaimed, or undelivered tenders of funds." As a result of these letters and forged powers of attorney, the indictment alleges that the City of Baltimore mailed replacement checks to Shorts causing the City of Baltimore to lose approximately \$155,000.

The maximum penalty for mail fraud and wire fraud is 20 years in prison, three years of supervised release and a fine. The maximum penalty for money laundering is 10 years in prison, three years of supervised release and a fine. The defendant is scheduled for an initial appearance in Miami, Florida at 1:30 p.m.

An indictment is not a finding of guilt. An individual charged by indictment is presumed innocent unless and until proven guilty at some later criminal proceedings.

The criminal charges in this indictment are the result of a joint investigation by the Federal Bureau of Investigation and the United States Attorney's Office. The case is being prosecuted by Assistant U.S. Attorney Steven H. Levin.